



**Minister Discloses That Eur200 Million Saved So Far This Year Through Tough Welfare Anti-Fraud Matters**

***Brennan Warns That Every Euro Obtained By Fraud Is A Euro Taken Out Of Pockets Of Those Who Urgently Need Support***

Minister for Social Affairs, Séamus Brennan TD, today revealed that his Department had realised anti-fraud savings of EUR200m during the first six months of this year.

Savings in unemployment payments realised the most at over EUR62m, followed by more than EUR49m in one-parent family payment and over EUR30m in illness payments. Almost 170,000 claim reviews were carried out. Some 87 percent of the 2,129 employers who underwent PRSI inspections were found to be compliant. **(\*Savings in each scheme is detailed below)**

The prosecution of offenders is a key element in the Department's overall control approach, with a total of 166 cases forwarded to the Chief State Solicitor's office for the initiation of proceedings during the period. Some 144 cases were finalised in court – of which 9 received suspended sentences, 50 were fined, 7 received community service and 27 received the benefit of the Probation Act. The remaining penalties included cases that were bound to the peace or adjourned with liberty to re-enter.

Minister Brennan said: "Every week an estimated 975,000 people claim weekly social welfare payments, supports and entitlements. Overall, almost 1.5million people, including dependents, will benefit from these payments. That is two out of every five people in the State who are, in one way or another, receiving vital welfare supports and availing of the safety net these provide. For that reason it is vitally important that my Department's resources are targeted at those most in need – we must reach the right people, with the right supports and at the right time.

My Department's priority is to ensure that those entitled to supports receive them and also that those who knowingly abuse and de-fraud the system are identified and dealt with. The savings of EUR200 million has been achieved by constant vigilance and by focusing on schemes with a high risk of fraud and abuse. I am determined to ensure that abuse of the system is prevented and is dealt with effectively when detected and I will take whatever steps are necessary to achieve this. It must be stressed that every euro obtained knowingly through fraud is a euro taken out of the pockets of those most in need of a welfare lifeline".



## **Department of Social and Family Affairs**

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Fraud against the social welfare system arises in a number of different ways. In some instances persons claiming social welfare payments make false declarations or conceal material facts in order to obtain payment. In other cases there is deliberate failure to notify the Department of a change in circumstances or failure by an employer to comply with PRSI regulations.

Situations where overpayments would arise include those such as an undisclosed change in marital status, failure to disclose full means or increases in means, customers absenting themselves or their dependents from the State and failure to disclose the employment or residential status of their spouse, partner or dependents.

Measures to control fraud and abuse include desk review of claim papers, home visits, the issue of mail-shots to selected customers, database checking, medical reviews in the case of illness payments etc.

Examples of specific measures include:

- Matching data from Revenue on people who have commenced employment against the Unemployment and One-Parent Family Payment schemes.
- With the automation of the General Register Office, marriage data is now received on a regular basis and is matched against the Department's payments systems to identify 'live' One-Parent Family payment or Widows/Widowers claims.
- Similarly, information on deaths from the General Register Office is enabling savings in respect of pension claims where the Department has not been notified of the death by the deceased person's next of kin.

The prevention of fraud and abuse of the social welfare system is an integral part of the day to day work of the Department. Over 600 staff at local, regional and national level are engaged on a full or part-time basis on work related to the control of fraud and abuse of the social welfare system.

A four pronged approach is adopted by the Department under its control strategy- prevention of fraud and error at the initial claim stage, early detection through effective review of claims in payment, measures to deter fraud and the pursuit and recovery of overpayments.

**Press Release ENDS**

**Press Release**



Further information available from Carmel Fields at 087-2547232

\* **Savings by scheme – first six months 2006**

<b>Scheme</b>	<b>Amount Saved EURm</b>	<b>No of Reviews</b>
Unemployment	62.08	37,687
Illness	30.83	81,712
Old Age Pensions	10.44	5,141
One-Parent Family Payment	49.76	13,078
Free Schemes	3.29	6,243
Child Benefit	11.57	8,620
Employer Inspection	3.92	2,129
Others	28.03	11,785
<b>Total</b>	<b>199.92</b>	<b>166,395</b>